

Hospital Profile: MERRIMACK VALLEY HOSPITAL

Haverhill, MA
Steward Health Care System
Community, Disproportionate Share Hospital
East Merrimack Region

Merrimack Valley Hospital is a for-profit, acute care community hospital. It is among the smaller hospitals in Massachusetts, with 75 staffed beds. Merrimack Valley Hospital is located in the East Merrimack region and represents 14% of all acute hospital staffed beds in the region. It is a member of the Steward Health Care System. Merrimack Valley Hospital qualifies as a Disproportionate Share Hospital (DSH), as more than 63% of its gross patient service revenue is derived from government programs.

PATIENTS Sixty-five percent of all inpatient cases treated at Merrimack Valley Hospital are from Haverhill.

INPATIENT SERVICES Compared with the other community-DSH hospitals, Merrimack Valley Hospital treats a greater proportion of mid and lower-severity cases. In FY12, it accounted for 12% of all inpatient discharges from acute hospitals within the East Merrimack region. Of note, based on its most common FY12 inpatient cases (DRGs), Merrimack Valley Hospital treated 93% of all Organic Mental Health Disturbances cases and 62% of all Degenerative Nervous System excluding Multiple Sclerosis cases in the East Merrimack region.

FINANCIAL PERFORMANCE Merrimack Valley Hospital's total revenue in FY12 was \$56 million. Its FY12 public payer mix was 71%, the third highest of all community-DSH hospitals. Merrimack Valley Hospital's FY12 inpatient cost[†] per case mix adjusted discharge was \$9,190, approximately 3% lower than the average community-DSH hospital. Merrimack Valley Hospital's CY12 average commercial payer price level was at the 20th percentile, lower than the average community-DSH hospital. It had a loss of \$5.8 million (-10.4% total margin) in FY12, its largest loss in the FY08 to FY12 period, during which it experienced a loss each year.

AT A GLANCE

TOTAL STAFFED BEDS: 75, among the smaller acute hospitals

% OCCUPANCY: 63%, > cohort avg. (61%)

TOTAL REVENUE in FY12: \$56 million

PUBLIC PAYER MIX: 71% (DSH* Hospital)

SPECIAL PUBLIC FUNDING: ICB⁹

TAX STATUS: For profit

TRAUMA CENTER DESIGNATION: Not Applicable

CY12 COMMERCIAL PAYER PRICE LEVEL: 20th Percentile

CASE MIX INDEX in FY12: 0.93, > cohort avg. (0.89); < statewide (1.06)

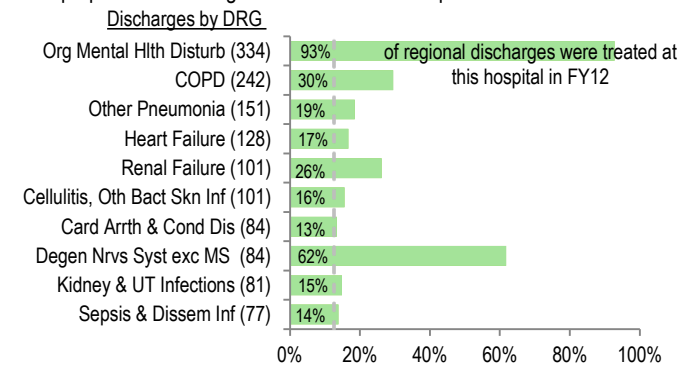
INPATIENT:OUTPATIENT REVENUE in FY12: 46%:54%

TOTAL MARGIN in FY12: -10.4% (-\$5.8 million)

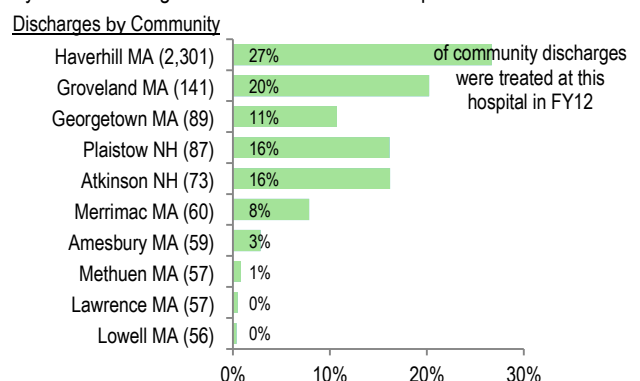
CHANGE in OWNERSHIP (FY08-FY12): Steward Health Care - 2011

SERVICES

What were the most common inpatient cases (DRGs) treated at the hospital?
What proportion of the region's cases did this hospital treat for each service?

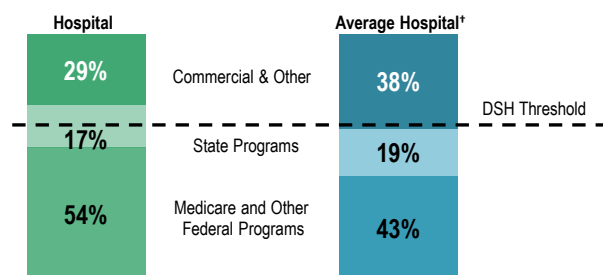


Where did most of the hospital's inpatients reside? What proportion of each community's total discharges were attributed to this hospital?



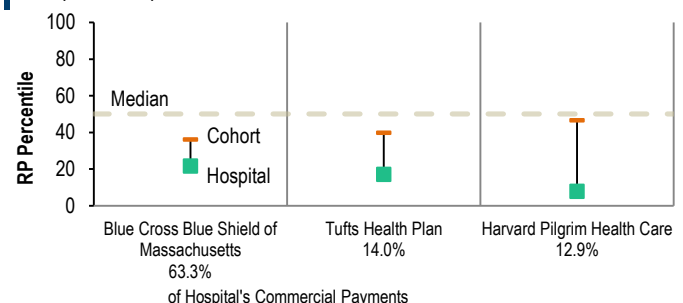
PAYER MIX

What was the hospital's overall payer mix (gross charges) in FY12, and how does this hospital compare to the average acute hospital's payer mix?



Percentage calculations may not sum to 100% due to rounding

What were the hospital's CY12 payer-specific relative price levels for its top three commercial payers? How does this hospital compare to the average hospital in its peer cohort?



of Hospital's Commercial Payments

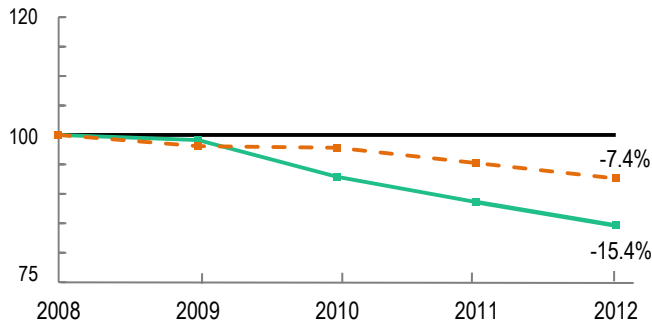
For descriptions of the metrics, please see Technical Appendix.

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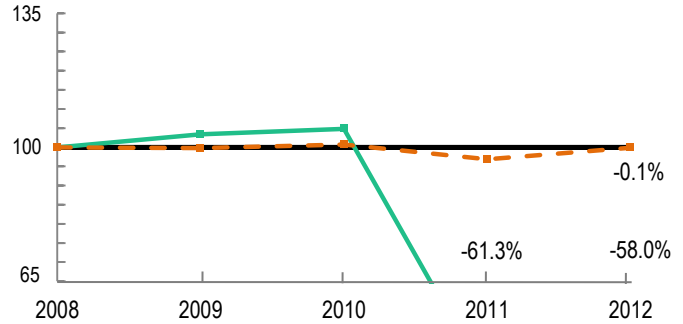
Cohort: Community, Disproportionate Share

UTILIZATION TRENDS

How has the volume of the hospital's inpatient discharges changed compared to FY08, and how does this hospital compare to the average hospital in its peer cohort? (FY08=100)

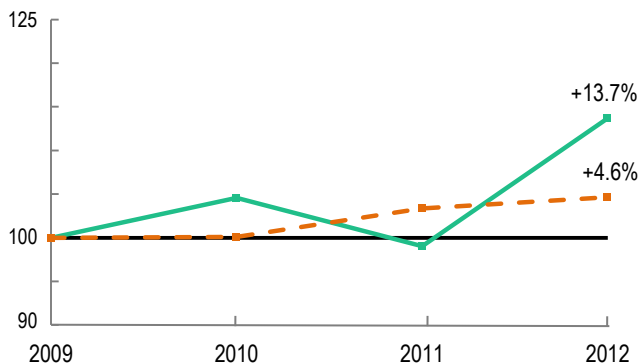


How has the volume of the hospital's outpatient visits changed compared to FY08, and how does this hospital compare to the average hospital in its peer cohort? (FY08=100)

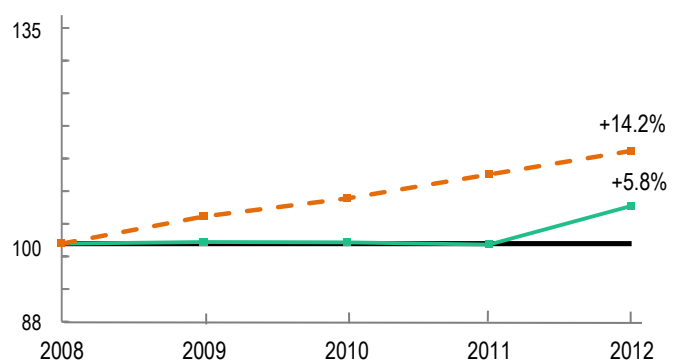


COST TRENDS

How has the hospital's inpatient cost[†] per case mix adjusted discharge changed compared to FY09, and how does this hospital compare to the average hospital in its peer cohort? (FY09=100)



How have the hospital's total outpatient costs changed compared to FY08, and how does this hospital compare to the average hospital in its peer cohort? (FY08=100)

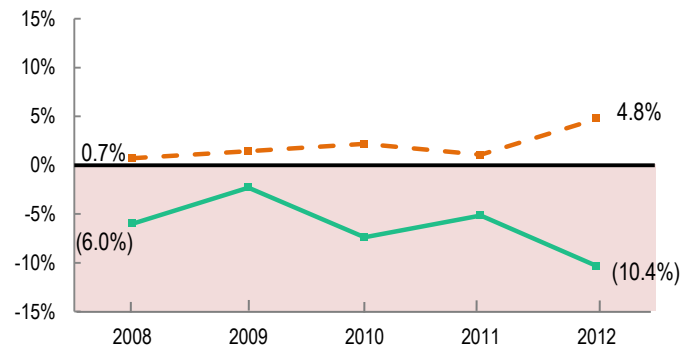


FINANCIAL PERFORMANCE

How have the hospital's total revenue and costs changed between FY08 and FY12?

Revenue, Cost & Profit/Loss (in millions)					
FY	Total Revenue	% Change	Total Cost	% Change	Total Profit/Loss
2008	\$55		\$58		(\$3.3)
2009	\$56	2.7%	\$57	(0.9%)	(\$1.3)
2010	\$55	(1.4%)	\$59	3.4%	(\$4.1)
2011	\$23	(59.1%)	\$24	(59.9%)	(\$1.2)
2012	\$56	148.7%	\$62	160.9%	(\$5.8)

What was the hospital's total margin between FY08 and FY12, and how does this compare to the median of its peer cohort hospitals?



For descriptions of the metrics, please see Technical Appendix.

[†] Costs were adjusted to exclude direct medical education costs and physician compensation.

^{*} Disproportionate Share Hospitals (DSH) receive a minimum of 63% of gross patient service revenue from public payers.

[®] For more information on Infrastructure and Capacity Building (ICB) special funding, please contact the Massachusetts Executive Office of Health and Human Services (EOHHS).

[†] Average Hospital does not include Specialty hospitals.

For more information, please contact:

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